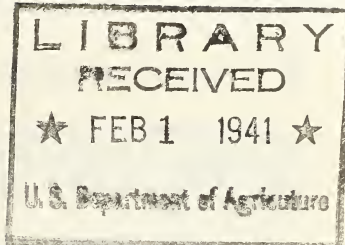


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REPORT OF THE DIRECTOR OF PERSONNEL, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF DIRECTOR OF PERSONNEL,
Washington, D. C., June 30, 1940.

HON. HENRY A. WALLACE,
Secretary of Agriculture.

DEAR MR. SECRETARY: I respectfully submit the following report of personnel administration in the Department of Agriculture, covering the period from July 1, 1939, through June 30, 1940.

Sincerely yours,

ROY F. HENDRICKSON, *Director.*

INTRODUCTION

To carry out the responsibilities of the Department of Agriculture a large staff of able people is required. The degree of effectiveness attained by the Department in doing its job depends upon the ability, energy, and character of these people and the quality of their management at all levels.

This is a department with a wide variety of activities and responsibilities. This necessitates an unusually intensive division of labor because of the specialized preparation required for much of its work and the distribution of the work through thousands of field units, in offices, laboratories, forests, and markets, on farms, and elsewhere.

Many devote their full time to the Department; others are employed for a season or for a few days. They are human beings, recruited with a single common purpose—to render efficient service in the public interest. To obtain the services of qualified persons, to develop their interest, satisfaction, and effective performance is the objective of personnel administration and management.

This objective is a responsibility on every level of management—it is the particular function of the Office of Personnel to make that responsibility understood, accepted, and effective.

This objective is not attained by employment of a single method nor within a given period. It is rather a continuous objective, necessitating a variety of methods, a dynamic approach. Policies, standards, techniques of personnel administration and management are improving as research and experience supply better guides to management. These supplement such established truths as the fact that there is no substitute for fair dealing between employees and management; that interest, satisfaction, and performance of employees reflect their leadership and not alone the pay they receive; that sound structural organization which assures close association of supervision and supervised is necessary for good performance; that no employee, no matter how well qualified on entry to duty, ever reaches the stage of perfection where his training may be considered complete.

This report is divided into two main parts. The first tells about the people of the Department and what happened to them on their jobs during the year; the second is a progress report of the Office of Personnel.

THE PEOPLE OF THE DEPARTMENT

Administration of the agricultural program requires a large army of workers. Not all of them are direct employees of the Department, but to varying degrees we do have personnel management responsibilities with respect to all of them. Employees under formal Secretarial appointment include those paid from regular appropriations, emergency employees, and employees without compensation. In addition are those working under informal appointment and under delegated-authority appointment on part-time jobs. Then there are a large number who, although not employees of the Department, are a part of the farm program. These include county conservation committeemen, employees of committees, and Civilian Conservation Corps enrollees engaged in forestry and soil conservation work. Any statement, therefore, giving the number of employees in the Department is misleading unless defined in terms of employment authority, source of funds, and other factors.

The 79,035 employees under Secretarial appointment shown in table 1 include 10,724 employees serving without compensation—county and State extension workers and collaborators.

TABLE 1.—*Number and distribution of employees under Secretarial appointment, 1934-40*

Year ended June 30—	Number of employees			Percentage of employees	
	Department	Field	Total	Department	Field
1934.....	10, 032	28, 591	38, 623	26. 0	74. 0
1935.....	11, 437	32, 643	44, 080	25. 9	74. 1
1936.....	11, 382	42, 140	53, 522	21. 3	78. 7
1937.....	13, 371	46, 858	60, 229	22. 2	77. 8
1938.....	11, 185	57, 246	68, 431	16. 3	83. 7
1939.....	11, 936	70, 034	81, 970	14. 6	85. 4
1940.....	13, 227	65, 808	79, 035	16. 7	83. 3

Bureaus of the Department employ personnel directly for various purposes under authority delegated by the Secretary. These are generally referred to as Letter of Authority or L. A. personnel. The number of employees serving under letter-of-authority appointments varies greatly throughout the year. Such employment is most extensive during the late spring and summer months. On June 30, 1940, there were 20,000 letter-of-authority employees compared with 35,000 at the same time in the previous year. These employees are hired for emergencies such as forest fires, plant and insect epidemics, etc. The majority of such appointments are limited to 30 days in any 1 year. As indicated above the number of letter-of-authority appointments decreased from last year and the trend is expected to continue primarily because where feasible L. A. employees are being placed under Secretarial appointment in the classified service.

In addition the Department has approximately 10,000 employees under informal appointment paid from funds allotted to it by the Emergency Relief Administration and Civilian Conservation Corps. They are commonly known as E. R. A. and C. C. C. supervisory and facilitating personnel and are concerned with various Department projects.

DISTRIBUTION

WASHINGTON AND FIELD

The percentage of employees of the Department located in the field service has been steadily increasing for the past 6 years, except for the past year. (See table 1.) This decrease in the percentage of employees in the field during the past year is accounted for by the transfer out of the Department of 5 bureaus, the majority of whose personnel was located in the field. The 65,808 employees serving under appointment by the Secretary in the field (83 percent) were scattered among some 3,500 field stations in the 48 States, the District of Columbia, the various Territories and possessions, and some foreign countries. All except 2 of the 30 bureaus and offices have field employees.

BY STATE

Employees of the Department came from all types of farm communities in the United States. They have been trained in all varieties of schools. Table 2 shows the legal residence and working headquarters of 65,394 employees for which such records were available on June 30. There is a high correlation between State population and number of persons from each State working for the Department. Employees working within any State are predominantly natives of that State or of neighboring States—note the heavy line from upper left to lower right. There are 1,772 employees of the Department, for example, stationed in Alabama. 1,435 or 81 percent are residents of Alabama. An additional 182 or 10 percent are from nearby States of Florida, Georgia, Mississippi, and South Carolina. The remaining 9 percent come from 35 other States and the District of Columbia.

While administration of the farm program by local people is encouraged, the Department has not overlooked the fact that a great many methods and problems apply universally and that outside experience and training may often bring new knowledge or fresh viewpoints to a community. Consequently local residence is not an absolute requirement for appointment or transfer.

NATURE OF POSITIONS

The employees of the Department filled positions of every type authorized by law. Excluding positions filled by employees without compensation (10,724), and positions in the Farm Credit Administration (2,917) for which the Office has not established detailed records, the Department total of Secretarial appointees is 65,394. Of this number there were 27,932 competitive classified civil-service positions compared with approximately 32,000 a year ago (table 3). The decrease was due to the transfer out of the Department of 5

bureaus which had wholly civil-service personnel. In the remaining bureaus there were substantial increases in the number of civil-service positions. In the Forest Service 1,587 employees, formerly under letter of authority, were placed in the classified service. Aside from this group, 1,453 individual cases were submitted to the Commission for inclusion in the classified service. A large number of these have been approved, the remainder being in process of review. The unclassified positions are chiefly skilled and unskilled laborer jobs and positions for experts in the Farm Credit and Rural Electrification Administrations. The majority of positions excepted by law from the Civil Service Act, rules and regulations are in the Farm Security Administration, the Federal Crop Insurance Corporation, the Agricultural Adjustment Administration, and the Surplus Marketing Administration. Positions under schedule A of the Civil Service Commission rules have salaries fixed in classification grades by the Classification Act, but do not require an examination. The 39 positions designated as Executive order positions are exempted by Executive order from the Civil Service Act and rules, but compensation rates are generally the same as those set down in the Classification Act of 1923, as amended.

TABLE 3.—*Report of positions occupied June 30, 1940*

Nature of positions	Department	Field	Total
Classified, civil service.....	5,840	22,092	27,932
Unclassified.....	113	1,192	1,305
Excepted:			
By law.....	5,453	25,755	31,208
Presidential appointment.....	3	5	8
Schedule A.....	105	4,797	4,902
Executive order.....	19	20	39
Total excepted.....	5,580	30,577	36,157
Grand total.....	11,533	53,861	65,394

STATUS OF EMPLOYEES

A report of personnel by States is given in table 4. Although there are only 27,932 civil-service positions in the Department (table 3), there are 33,768 civil-service employees. There are 17 more unclassified employees (table 4) than unclassified positions (table 3). Many employees whose status is civil-service or unclassified are occupying excepted positions. Civil service is continually being extended to other excepted positions.

Persons filling positions under section 8 of civil service rule II are not required to take an open competitive examination because the Commission has judged that qualified persons are so rare for these positions that the interests of good civil-service administration do not require such an examination. Persons designated as in a status quo position are those who have been retained in a position when it becomes subject to the competitive classified civil-service requirements though without acquiring civil-service status.

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TABLE 2.—*Employees of the United States Department of Agriculture by headquarters and legal residence, June 30, 1940*

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TABLE 4.—*Report of personnel by status, June 30, 1940*

Status	Department	Field	Total
Civil service:			
Temporary.....	184	418	602
Pending reinstatement.....		2	2
Pending certification.....	19	526	545
Probational.....	496	1,847	2,343
Permanent.....	6,285	23,991	30,276
Total.....	6,984	26,784	33,768
Unclassified.....	127	1,195	1,322
Excepted:			
By law and schedule A.....	4,307	25,833	30,140
Section 8, rule 2.....	13	9	22
Status quo.....	102	40	142
Total.....	4,422	25,882	30,304
Grand total.....	11,533	53,861	65,394

TENURE OF POSITIONS

Table 5 gives the distribution of employees by tenure of positions occupied. The 3,218 temporary employees include both civil-service and non-civil-service people. The 24,326 whose tenure is emergency or duration are employed for the duration of work or for the duration of emergency funds, or pending reinstatement. They include civil-service and non-civil-service employees. A number of civil-service employees in these two groups are serving their probationary periods and have been so classified in table 4 above.

TABLE 5.—*Report of personnel by tenure of position, June 30, 1940*

Tenure	Department	Field	Total
Temporary.....	547	2,671	3,218
Emergency or duration.....	1,945	22,381	24,326
Seasonal.....		1,452	1,452
Indefinite.....	20	525	545
Probational.....	437	1,261	1,698
Permanent.....	8,584	25,571	34,155
Total.....	11,533	53,861	65,394

DISTRIBUTION OF EMPLOYEES BY SEX

The proportion of women to men in the Department has shown a slow but steady increase over the past 20 years, in the higher administrative and professional jobs as well as in clerical and secretarial positions. In 1920, after a sharp increase in the number of women employed caused by World War exigencies, about 38 percent of the Washington employees were women. In 1930 the percentage was well over 40, and at present 48 percent of the Washington employees are women. The percentage of women employees in the field is much smaller. A large percentage of the field jobs require extensive physical activity, and are often suitable for men only. There are, however, about 14,000 women in field positions of the Department, exclusive of 3,000 women extension workers employed cooperatively with the States.

EDUCATION

The personnel of the Department exhibits an unusually high degree of educational background, as shown by table 6. It is interesting to note that 69 percent of all administrative employees earning salaries of \$2,600 per year or above (CAF-7 through CAF-16) attended college. Thirty-nine percent have either bachelor's, master's, or doctor's degrees. In the professional service 88 percent have bachelor's degrees or higher. More than 22 percent have doctor's degrees. The percentage of employees in the lower classification grades who have college training is rather striking in view of the absence of such requirements and the nature of work involved. Note that 41 percent of all employees—including clerical and custodial—have college degrees. An additional 22.8 percent attended college but did not graduate.

TABLE 6.—Percentage of distribution of employees by extent of education, as of June 30, 1940

Service	Grade school		High school		College					Total
	Did not graduate	Graduated	Did not graduate	Graduated	Did not graduate	Graduated				
						Bachelor's degree	Bachelor's degree and post-graduate work	Master's degree	Doctor's degree	
CAF-1 through 6	0.22	1.12	13.88	40.64	32.28	10.33	0.47	0.92	0.14	100.00
CAF-7 through 16	.21	1.67	11.80	17.53	29.48	30.57	2.00	5.07	1.67	100.00
Professional	.02	.09	1.01	1.47	9.30	46.74	3.96	15.13	22.28	100.00
Subprofessional	.94	3.51	20.95	22.80	30.07	18.44	.59	2.39	.31	100.00
Custodial	6.52	16.87	29.66	23.49	17.57	5.54	.03	.26	.06	100.00
Unallocated	9.86	14.46	17.65	13.48	14.64	21.17	.25	5.87	2.62	100.00
Executive order	.26	.76	5.25	26.24	24.98	36.43	2.80	2.76	.52	100.00
Total	1.13	2.70	10.56	22.06	22.80	27.39	1.91	5.48	5.97	100.00

In the departmental service the percentage of men having bachelor's degrees is 27.2, compared with 11.9 percent of the women. The percentage of men having master's degrees is 11.2, compared with 3.1 percent of the women. And the percentage of men having doctor's degrees is 7.7, compared with 0.5 percent of the women. In other words, 46.1 percent of the men and 15.5 percent of the women in the departmental service have at least a bachelor's degree.

APPOINTMENTS

During the fiscal year 1940 the Secretary gave formal appointments to 25,039 persons. These were by no means all new employees, since many of them were reappointments to new positions without break in service as a result of transfer and reorganizations within the Department. Others were shifted due to interdepartmental reorganizations. The number of appointments by the Secretary during 1940 was 5,272 less than during 1939 and was the lowest it has been for the past 6 years. This year for the first time in 6 years the number of appointments was less than the number of terminations.

PROMOTIONS

Two types of promotion are provided for Federal employees. One is administrative promotion, which involves a salary increase within the pay range of a classification grade. The other is a grade promotion, which involves a substantial change in the work of the employee—that is, an increase in duties and responsibilities sufficient to justify a change in grade. Table 7 gives the number of administrative promotions for the fiscal years 1939 and 1940.

TABLE 7.—Administrative promotions, fiscal years 1939-40

Services	Number	
	1939	1940
Professional	3, 696	2, 665
Subprofessional	1, 455	1, 069
CAF	4, 809	3, 400
Custodial	1, 001	977
Unallocated	90	131
Executive order		65
Total	11, 051	8, 307

Table 8 gives the break-down of grade promotions in the entire Department during 1939 and 1940.

TABLE 8.—Grade promotions, fiscal years 1939-40

Promoted to—	Number	
	1939	1940
Vacancy in same bureau	2, 197	2, 345
Vacancy in another bureau	116	124
New position in same bureau	7, 900	8, 441
New position in another bureau	255	159
Total	10, 468	11, 069

RETIREMENT

As of June 30, 1940, there were 34,273 employees in the Department entitled to benefits under the Retirement Act. There were only 159 employees retired during the year (table 9), a decrease of 39 from last year. Twenty-one of these were voluntary, 100 were compulsory age retirements, and 38 were retirements for disability.

TABLE 9.—Number of employees retired, 1936-40

Year ended June 30—	Age retirements		Disability retirements	Total
	Voluntary ¹	Compulsory		
1936	7	96	51	154
1937	19	81	53	153
1938	16	100	54	170
1939	31	109	58	198
1940	21	100	38	159

¹ Retirement is optional 2 years prior to compulsory retirement age providing the employee has at least 30 years of service.

There were 21 employees in the Department who were beyond retirement age. The eldest is an 83-year-old laborer in the Bureau of Plant Industry who is not subject to the Retirement Act. One employee was granted an extension of 1 year by the President because of unusual circumstances. For the remaining number retirement was not compulsory because they had not rendered 15 years of service and were therefore not eligible for annuities.

TURN-OVER

There were during the past year 27,974 terminations from the service of the Department. Many of the employees terminated, however, were reappointed to new positions as one operation incident to transfers and reorganizations within the Department. The number of terminations given also includes shifts in personnel due to inter-department reorganization. Transfer of the Bureau of Public Roads to the Federal Works Agency, of the Bureau of Biological Survey to the Interior Department, of the Foreign Agricultural Service to the State Department, of the Weather Bureau to the Commerce Department, and of the Food and Drug Administration to the Federal Security Agency, in whole or in part during the year caused a decrease of approximately 7,750 employees. However, the transfer to the Department of the Rural Electrification Administration, the Farm Credit Administration, and the Commodity Credit Corporation offset about 4,000 of this decrease. The net reduction in personnel due to inter-departmental reorganization was therefore approximately 3,750.

There were approximately 18,000 actual separations from the service of the Department during the year out of a work force of 79,035 on June 30. More than 95 percent were reductions in force due to lack of work or funds (including completion of temporary employment) and resignations, 2.94 percent were for deaths and retirements, and 1.66 percent for unsatisfactory service or other cause (table 10).

TABLE 10.—*Percentage distribution of separations from the service of the department, classified by reasons, fiscal year 1940*

Where located	Death	Reduction in force	Removals for cause	Retirement	Resignation, voluntary	Unsatisfactory service	Total
Washington.....	3.46	42.33	0.77	2.76	50.42	0.26	100.00
Field.....	1.55	66.12	.99	.99	29.61	.74	100.00
Total.....	1.76	63.50	.97	1.18	31.90	.69	100.00

Major reductions in force resulted from: (1) Conclusion of initial fact-finding work in the Federal Crop Insurance Corporation; (2) completion of large construction projects at the Beltsville Research Center; (3) completion of salvage operations of the Northeastern Timber Salvage Corporation; and (4) reduction in land-utilization funds, particularly for the acquisition and development of lands sub-marginal for agricultural production.

Major increases in other bureaus were due primarily to: (1) Expansion in the Farm Security Administration to administer a larger volume of activity; (2) expansion of the Food Stamp Plan in the Surplus Marketing Administration; and (3) increased activities in

the Bureau of Agricultural Economics incident to its assumption of staff functions in general planning and program formulation.

THE PERSONNEL PROGRAM: A PROGRESS REPORT

Two extremist viewpoints now current in public personnel administration are:

1. That personnel work is highly technical and that administration must be highly centralized. The result is an unrealistic approach to many personnel problems and the creation of a bottleneck which paralyzes the flow of business.

2. That personnel work should be extremely decentralized—that we should delegate to each unit head complete and final management responsibilities covering every phase of personnel responsibility. The result is a variety of programs, standards, methods, and objectives.

In the Department, subject to specific legal requirements in many cases, and in the interest of what appears to be good management, we are hewing to middle ground. Our program emphasizes central approval of major policies, standards, and procedures, and decentralization of operations. Many difficult adjustments were made during the past year in moving toward this general objective.

Every effort is being made to secure a thorough understanding of the fact that every supervisor of one or more persons, every section, division, and bureau chief, has a personnel-management phase as a part of his or her total supervisory-managerial responsibility.

Especially outstanding progress has been made in improving personnel management on the bureau level and substantial headway on the next lower level, that of divisions. To insure acceptance and proper discharge of the personnel phase of the management responsibility of each and every level is a task requiring many approaches—of which training is easily the most important. Training of supervisors has become an increasingly important part of the Department's personnel program.

Responsibilities for personnel-operating functions is being placed as near the first line of supervision as possible. Specifically this has meant, first the strengthening of bureau personnel offices through outward staffing and increased responsibility for personnel administration at the bureau level, within a general departmental framework of policies and standards. In many bureaus personnel administration is now the direct responsibility of an assistant to the bureau chief. The Farm Security Administration, the Soil Conservation Service, the Forest Service, and the Farm Credit Administration maintain regional personnel offices.

THE OFFICE OF PERSONNEL: ORGANIZATION

The Office of Personnel is headed by a Director and an Assistant Director; it has six divisions staffed with specialists in classification and salary administration, organization, recruitment, placement, training, employee relations, safety, investigational work, discipline, and other similar fields. The six divisions are: Division of Employment, Division of Classification, Division of Organization and Management, Division of Personnel Relations, Division of Training, and the Division of Investigations. The Division of Employment plans,

develops, and maintains a program of recruiting, testing, qualification investigations, appointment, transfer, and promotion for positions in the Department; and maintains personnel records of all regular employees of the Department. The Division of Classification investigates, reviews, and allocates positions to proposed classification grades, prepares class specifications, and administers uniform wage scales. The Division of Organization and Management conducts organization and management studies, procedure surveys, and other personnel research. The Division of Personnel Relations plans and develops programs for the improvement of employee relations; organizes and maintains machinery for adjustment of employee grievances and complaints; and cares for the first-aid and safety programs of the Department. The Division of Training formulates and develops training programs and supervises training throughout the Department. It assists the work of the USDA clubs and directs the orientation program for new employees. The Division of Investigations conducts the personnel and miscellaneous investigations for the Department and recommends disciplinary action incident to its findings.

RECRUITMENT, SELECTION, AND PLACEMENT

A special effort was made during the year to interest capable, well-trained young men and women throughout the country particularly in junior scientific and professional positions in the Department. A bulletin entitled "Employment Information" was prepared and widely distributed to colleges, universities, and interested individuals. This bulletin includes a description of the organization of the Department, a summary of its legislative history, a list of civil-service-announced examinations which are used in Department recruiting, and other information in which prospective employees are interested.

Opportunities in Government employment were described and discussed by letters, through regional conferences, annual meetings of professional and scientific societies, published articles, and country-wide visits by Department officials.

EXAMINATIONS

The Civil Service Commission gave 54 examinations used in Department recruiting during the year. Thirty-nine of these were for Department positions exclusively. Officials of the interested bureaus cooperated with the Office of Personnel in assisting the Commission with the establishment of minimum qualifications, drafting announcements, and constructing examinations. In the interest of insuring adequate standards, Department representatives devoted as many as 700 man-hours to 1 examination.

The Civil Service Commission will give the junior professional assistant examination annually hereafter. In the 1940 examination, 16 of the 28 options were designed particularly for this Department. There were 55,000 applications as compared with 43,000 in 1939.

Arrangements were made with the Civil Service Commission for repeating the examination for student aide at a salary of \$1,440 per annum. The examination is designed particularly for college students who are finishing their junior or senior years and who wish to obtain

employment during the summer months. This gives the Department an opportunity to observe the performance of college students on the job prior to permanent appointment.

CERTIFICATION AND PROBATIONAL APPOINTMENT

There were 1,857 certificates of eligibles received from the Civil Service Commission, containing 10,588 names. Of this number approximately 3,300 were finally appointed. Only 26 or 0.8 percent were separated during probation because of unsatisfactory services. In addition, however, there were the following terminations before the probationary period expired:

Voluntary resignations-----	254
Lay-offs-----	182
Deaths-----	2
Removal for cause-----	8
Total -----	446

The use of the probationary period as a trial period is being studied with a view to possible improvements in supervision of new employees and in reporting forms. New rating forms for probationers have been devised for experimental use.

The number of inquiries made by the Office of Personnel during the fiscal year 1940 was 222. This represents a sharp decline from the 829 inquiries made during the last year and was due largely to increased bureau responsibility for investigation.

Twenty-three percent of the 222 inquiries were unsatisfactory or questionable. This relatively high percentage may be explained by the fact that the Office made a practice of investigating bureau recommendations that appeared questionable at the outset.

REVIEW OF QUALIFICATIONS AND DIRECT PLACEMENTS

During the year 50,652 recommendations were reviewed from the standpoint of qualifications, in order to maintain uniform qualification standards in the Department, and also to serve as a check on the effectiveness of the promotion-from-within program. Since July 1, 1938, the Office of Personnel has reviewed certain types of recommendations from the standpoint of qualifications, at the same time carrying on an educational campaign with the bureaus to increase the amount and quality of information contained in the recommendations. During the past year comparatively few recommendations were questioned.

The Office received 4,245 formal applications for positions from employees and from outside applicants, and 3,487 candidates for employment, transfer, or promotions were interviewed. There were 467 direct placements made during the year.

DEPARTMENT EXAMINATIONS

From February 1940, when it was organized, to June 1940, the Testing Unit gave examinations to 877 non-civil-service applicants. Of these 523 were original tests and 354 were retests or additional tests. They were largely tests for typing and for stenographic positions.

A promotion examination for stenographers was conducted in February 1940. Three stenographic examinations of 80, 96, and 120 words per minute were given. Although this examination was merely a departmental examination and did not establish civil-service eligibility for promotion, the ratings received were used to prepare registers of candidates for stenographic positions. As vacancies occurred successful employees were referred to appointing officers as candidates for transfer or promotion.

Moreover, since lack of civil-service eligibility for types of positions other than they were already holding frequently kept Department employees from opportunities for promotion or transfer, the Office of Personnel reached an agreement with the Civil Service Commission in June 1940 which allows the Office, with the advice and consent of the Commission, to conduct noncompetitive examinations in stenography, typing, and clerical subjects for the employees of the Department. This will greatly increase the opportunities for promotion from within.

USE OF PANELS

Sixteen of the larger bureaus of the Department were furnished with panels of their own employees. These panels were used by the bureaus as an aid in searching for eligibles in the bureau who were qualified to fill particular vacancies.

Experience with the qualification punch cards showed that certain revisions were desirable in order to make the cards and the panels prepared from them more practical to use. The major change was the addition of the employee's name to the card. Previously identification had been made by means of an employee number and an index of names. In order to effect this change 42,000 punch cards were repunched, and the new cards were ready for use by the end of the fiscal year.

In June 1940, the Civil Service Commission started the preparation of a qualification punch card for all employees in the Federal service, with few exceptions. This card is designed to locate qualified persons in connection with the defense needs of the Government. Since the proposed card is quite similar to the Department of Agriculture qualifications card, the Office has made tentative arrangements with the Civil Service Commission to obtain duplicate copies of the new card.

ADVERTISEMENTS

The increasing effectiveness of the panels in providing eligible candidates for vacancies from within the Department eliminated some of the necessity for advertising vacancies. However, advertisement of vacancies was found particularly successful for positions where unusual combinations of qualifications were required, where the supply of qualified candidates was limited, or where the positions were located in the field.

TRAINING

The training of employees for better job performance continued as a major responsibility of bureau personnel officers with limited assistance and guidance from the Department training staff. A training council was established, composed of representatives from all bureaus

and offices, with the Chief of the Division of Training as chairman. The council meets monthly to consider training policies and methods. It is subdivided into several committees for the consideration of specific problems. Its first accomplishment was the formulation of a detailed program for the orientation of new employees.

A special training conference room was set aside adjoining one of the cafeterias, to be used particularly for luncheon meetings. During its busiest week this room was used for nine luncheon and five other meetings.

A number of training projects were initiated for assisting personnel workers in the bureaus with particular procedures and problems.

Regular monthly orientation meetings were held for all new employees in Washington. At these meetings administrative officials described the Department's organization, functions, and objectives. Career opportunities in the Department were discussed and the promotion policy explained. Each employee was provided with an Employee's Handbook and other reference material.

In April a correspondence counselor was added to the personnel staff and began working with several of the bureaus in letter-writing training. A special series of letter-writing conferences was held in the Office of Personnel.

USDA CLUBS

During the year considerable progress was made in organizing USDA clubs among field employees of the Department. Organizing committees were set up in over 100 locations. Potential advantages of organization were set forth, and the committees were requested to determine whether club organization in the area was possible. The clubs are intended to provide a medium for: (1) Informal coordination of Department activities; (2) familiarizing field workers with the work of the Department as a whole; (3) developing personal acquaintance among employees of the several bureaus in each area; (4) stimulating training and education of employees; and (5) promoting employee welfare. Of the 100 and more organizing committees that were created, 68 decided to—and did—organize clubs.

The Office of Personnel periodically prepares a News-Letter that is sent to all club officials. The purpose of the letter is to provide a medium of exchange for accounts of club operations and also a sounding board for various suggestions of activities of benefit to employees and to the public service. The basic purpose of club organization has been to engage in activities which directly or indirectly benefit the public service.

THE GRADUATE SCHOOL

Educational courses are offered after official hours for Washington employees by the Department's graduate school. The school is an unofficial agency to provide facilities for continued education to Department workers. This use of Government facilities was authorized by Congressional acts, subject to such rules and regulations as the heads of departments might make.

The work has been organized and supervised by officials of the Department, but operation costs have been paid from tuition fees set as near as possible to cover the cost. The general program of the

school is supervised by an administrative board appointed by the Secretary, under the chairmanship of the Director of Personnel.

Many undergraduate as well as graduate courses are offered. During the year 1939-40 about 150 courses were offered, and there were approximately 4,200 registrations, representing approximately 3,500 individuals.

The Civil Service Commission gives full credit for the courses taken, and the credits are also accepted by major colleges and universities. The courses given are those in which the groups of workers express interest or which the administrative officials of the Department request.

EDUCATIONAL ADVISERS

The educational counselors, appointed in each bureau last year, have assisted many Department employees in planning their future education. They have been supplied with pertinent information about all educational institutions in and around Washington. The educational level of professional and administrative employees in the Department has continued to rise.

CLASSIFICATION

An advisory classification council was established during the year for the purpose of studying classification problems and working out improved techniques and procedures. The council is composed of the personnel officer, or a designated representative, from each bureau and the Chief of the Division of Classification as chairman. Meetings are held semimonthly.

Changes were made in the internal organization of the Classification Division in order to expedite the handling of personnel actions. The staff was divided into three groups, each headed by a group leader. Each group reviews all the actions for a number of relatively homogeneous bureaus, representing approximately one-third of the Department's personnel. Under this arrangement, the investigators became more familiar with the organization and functions of their particular bureaus and were able to do a better job of classification.

The staff reviewed 43,734 recommendations for appointment and change in status to determine the proper allocation of positions. Of this total, 10,039 were for departmental and 33,695 were for field positions. These include horizontal surveys of operating units as well as analyses of single positions. Several major surveys were conducted and thorough studies were made of 2 agencies added to the Department by reorganization.

Increased attention was given the allocation of field positions. Approximately 50 field stations were surveyed by members of the staff during the year, with major studies being made at Kansas City, Minneapolis, Chicago, Lincoln, Milwaukee, Houston, New Orleans, Denver, Oklahoma City, and Little Rock. These surveys covered the work of about 15 bureaus. A comprehensive survey of all work at the Beltsville Research Center, covering over 1,000 positions, started late in the fiscal year. This work, supplemented by frequent conferences with field officials temporarily in Washington, gave the staff a better understanding of field activities and at the same time

acquainted field officials with the central job of administering the Classification Act.

Some progress was made during the year in the preparation of class specifications. A specifications writer was added to the staff, and specifications covering some 20 classes of positions in the field service and applicable to about 1,600 individual jobs are nearing completion. Specifications covering all of its field positions were prepared by 1 bureau and, after a careful analysis of grade levels, were approved. These are now in effect, and their use has greatly facilitated the processing and classification actions. The Division has cooperated with several other bureaus in preliminary studies looking toward the establishment of class specifications.

A number of bureau employees, both field and Washington, were given training in the methods and procedures of position classification. A classification investigator was regularly assigned to the panel of Department orientation conferences in order to explain the methods and objectives of classification to new employees.

During the year considerable attention was given to determining a uniform and equitable base for compensation schedules for those positions exempt from the Classification Act of 1923 or Executive Order No. 6746. Data were gathered concerning wage rates for comparable work in several locations and analysis of the material is now under way.

The Division handled several cases in accordance with section VII of the Secretary's Memorandum No. 753, revised, which outlines the procedure for both Washington and field employees who desire to appeal their classification. In most cases a solution was reached through correspondence between this division, the bureau, and the employee concerned.

SERVICE RATINGS

Executive Order No. 7916 (June 24, 1938) provided for the extension of service ratings to the field service. Use of the civil-service system in operation in Washington, however, was not mandatory. Ratings had been used in the past for field people by several bureaus but forms and procedures were not uniform.

The regular civil-service system was extended to the field in 1940 in order that ratings would be of uniform nature throughout the Department. Regional boards of review were set up in those bureaus which are organized on a regional basis.

Preliminary to the time of rating, the Office of Personnel prepared a factual summary of ratings given the previous year, a rating manual prescribing procedures and standards, and a Personnel Bulletin discussing the nature and objectives of ratings. Preliminary discussions were held with bureau boards of review who have charge of the administration of ratings and the training of supervisors for rating within their respective bureaus. A special effort was made to attain greater uniformity of standards as between bureaus and to secure a readjustment of ratings downward by an application of higher standards. In the three previous years more than 80 percent of employees received higher ratings than "Good." This did not differentiate to the extent desirable for administrative purposes. Training in this direction shows marked results in the 1940 ratings. Table 11 gives the distribution for Washington employees only.

TABLE 11.—*Percentage distribution of efficiency ratings of Washington employees, 1937-40*

Year	Excellent	Very good	Good	Fair	Unsatisfactory
1937.....	33.3	48.2	17.2	1.2	0.1
1938.....	31.4	49.2	17.6	1.7	.1
1939.....	31.4	50.2	17.3	1.0	.04
1940 ¹	25.11	51.95	21.46	1.42	.06

¹ Approximate.

Ratings in the field were considerably lower than in Washington. Since it was the first rating for a great many of these employees, the application of higher rating standards was less difficult. The approximate field percentage distribution was: Excellent, 11.74; very good, 52.42; good, 33; fair, 2.66; and unsatisfactory, 0.18.

The percentage distribution for the entire Department, field and Washington, was: Excellent, 15.29; very good, 52.28; good, 29.94; fair, 2.34; and unsatisfactory, 0.15.

ADMINISTRATION OF WITHIN-GRADE SALARY INCREASES

The salary schedules provide a range for each class of position within which employees can be given salary increases or administrative promotions without change in duties. Such increases are based primarily upon age of present salary, efficiency ratings, and seniority.

A survey made prior to the beginning of the fiscal year 1940 revealed that a considerable number of employees of the Department, both Washington and field, had not received a grade or salary increase in from 4 to 15 years. These employees were eligible for administrative promotion in that they (1) were not in "locked" grades,¹ (2) had finished their probationary periods, (3) were below the maximum salary of the grade, and (4) had efficiency ratings of "good" or better.²

Therefore in order to provide a "floor" and in order to insure fair and equitable distribution of salary increases the following policy was adopted: "All employees eligible for an administrative promotion, and who have not received a grade or salary increase since prior to January 1, 1934, shall be considered for an administrative promotion before administrative promotions of other employees will be approved."

This did not require that administrative promotions be recommended which were not merited. It was intended to insure that consideration would be given to all employees who were eligible for administrative promotion and stressed the fact that length of satisfactory service is a legitimate factor to be considered in recommending administrative promotions.

In order to apportion administrative promotions uniformly throughout the various bureaus and offices of the Department a maximum of 1 percent of the annual pay roll for full-time permanent and emergency employees was set up as an allowance (subject to the availability of funds) for administrative promotions. Not more than one-

¹ The average salary of employees in a grade did not exceed the middle of the grade.² Employees with a rating of "good" are eligible for salary increases only if they are receiving less than the middle salary for the grade.

twelfth of this allowance could be used in any 1 month; except where the entire monthly allowance was not used, the unused amount was cumulative and ended with the close of the fiscal year. In addition, to effect a wider distribution of the money available, promotions were limited to one salary step except in unusual and meritorious cases. Due to this administrative promotion policy, more than two-thirds of the bureaus and offices have promoted all their eligible employees who were without salary increases since prior to January 1, 1934. Sixty-three percent of the 1-percent allowance was used.

SAFETY

There has been a continual decline in the frequency of fatal and nonfatal accidents in the Department during the past 2½ years. The reduction last year was 27 percent and 28 percent for fatal and non-fatal injuries, respectively (table 12).

TABLE 12.—*Accidents to Department employees, 1938-40*

Fiscal year	Fatal accidents			Nonfatal accidents		
	Total charged	Number per 1,000,000 man-hours	Decrease in frequency	Total charged	Number per 1,000,000 man-hours	Decrease in frequency
	<i>Number</i>	<i>Rate</i>	<i>Percent</i>	<i>Number</i>	<i>Rate</i>	<i>Percent</i>
1938 ¹	49	0.267		3,557	19.38	
1939.....	93	.220	18	7,884	18.96	
1940.....	84	.160	27	7,240	13.73	28

¹ 6 months only.

New safety bulletins, posters, and other safety information were distributed during the year.

A system of reporting vehicle mileage was instituted so that the frequency and severity of vehicle accidents per 100,000 miles can be recorded and the full measure of our exposure to this hazard can be determined. Approval of the purchase and inclusion in vehicle specifications of safety gasoline fuel tanks for departmental vehicles was secured, which marks an important step forward in vehicle safety.

Three safety exhibits were put on during the year; one at the annual meeting of the interdepartmental safety council; the second without our own Department; and a third, during the convention of 4-H Clubs, showing equipment for the protection of workers from accident hazards in many occupations. Approved goggles, respirators, gas masks, sanitary portable drinking fountains, safety gasoline cans, flameproofing materials, foot guards, etc., were shown.

Further progress was made during the year in tests of flameproof clothing for forest fire fighters. Final changes in the design of the suit and type of respirators necessary have been decided upon and will soon be incorporated in the new suits. A new type of hand fire extinguisher has been tested and approved, which will be much more effective than the types now in use on vehicle and other out-of-door fires. The Bureau of Standards has also tested and approved this extinguisher.

Particularly good records were established in a number of bureaus which have high accident exposure among field personnel. Safety training has brought immediate results wherever applied intensively.

LEAVE

Employee-leave records are maintained by the bureaus. The Office of Personnel is concerned with uniformity of leave procedure and uniform interpretation of regulations. It interprets the regulations, decisions of the Comptroller General, Executive orders, and opinions on leave, and initiates action to have interpretations made available throughout the Department generally. It also secures interpretations from other sources when necessary. Periodic examinations will be made by the leave officer of the Office of Personnel in all bureaus and offices to insure proper maintenance of leave records and to furnish information and advice on leave problems. A study of leave work in all bureaus was conducted during the last few months of the year. Recommendations growing out of that study are under consideration.

EMPLOYEE ACTIVITIES

A committee of 30 employees representing all current athletic and recreational activities was formed during the year to consider and plan for a long-time Department program of employee activities. After holding more than 30 meetings the committee submitted a report recommending that all activities be divided into 8 main classes of: Athletics, music, dramatics, education, arts and crafts, personal and domestic management, housing, and social activities. The committee recommends that each class of activities should have its own organization and the entire Department program should be headed by a board of directors. These recommendations are being given careful consideration.

Following is a summary of major activities during the fiscal year 1939-40:

ATHLETICS

Bowling, softball, golf, and tennis—both men's and women's—enjoyed increased employee participation during the year. Bowling and softball drew about 500 participants each. Basketball, due to limited facilities, has been curtailed to 2 Department teams, 1 men's and 1 women's. Archery attracted about 35 employees and promises to increase in popularity.

DRAMATICS

The 1939-40 season was the sixth and most successful in the history of the Agriculture Players. For the first time a regular schedule of productions was established and maintained. Five full-length three-act plays were presented, and a workshop was established. The workshop unit devoted most of its time to the preparation of one-act plays. The organization continued to observe its chief objective, which is: To provide a leisure-time opportunity in the field of the theatre for those of the departmental personnel interested in such work. To the greatest degree possible, consistent with the turning out of reasonably acceptable productions, new and untrained people

have been included in the productions. There were during the season about 75 employees more or less regularly associated with the Agriculture Players.

ORCHESTRA AND SYMPHONIC CHOIR

The Department of Agriculture orchestra played 4 programs. The main event was the performance of Deane Shure's choric symphony in the Federal Auditorium on May 8. The orchestra and the symphonic choir are proud of the fact that this nationally known Washington composer entrusted the first performance of his work to them, that their playing was broadcast over a Nation-wide N. B. C. hook-up, and that they were requested by the National Federation of Music Clubs to make their concert part of the official program of National Music Week. The orchestra and the choir together number over 110 people.

CHORUS

During the year the Department of Agriculture chorus prepared 5 major programs. Several were repeated, making a total of 9 performances before a total audience estimated at about 3,000. In addition to the performances by the entire chorus, the male and mixed quartets each represented the chorus a number of times at Department and outside functions.

GROUP INSURANCE

On June 15, 1940, the Department of Agriculture Beneficial Association had 13,966 members as compared to 13,515 on June 15, 1939. These members carry insurance totaling \$20,126,201 which represents an increase of \$1,075,145 over a year ago. One hundred and twenty-eight claims were paid during the year carrying benefits of \$135,310.

CREDIT UNION

Following is a summary of Credit Union activities during the year:

	<i>As of June 30, 1939</i>	<i>As of June 30, 1940</i>
Number of members.....	2,040	2,485
Number of loans outstanding.....	1,257	1,715
Value of loans outstanding.....	\$78,660	\$119,918
Number of loans made during the year.....	1,903	2,240
Total amount loaned during the year.....	\$179,550	\$261,717
Total members' savings.....	\$88,285	\$134,551

Most of the loans are made to pay hospital bills, doctor's bills, dentist's bills, medical treatment of all kinds, taxes and house repairs, to buy automobiles, to cover cost of vacations, and marriage. Loans are also made to enable the borrower to pay off other loans on which higher interest rates are being charged.

WELFARE ASSOCIATION

The activities of the Department of Agriculture Welfare Association include the operation of cafeterias and lunchrooms, a store, and a parking lot; the granting of aid in the form of loans or gratuities in cases of emergency resulting from illness, accident, or other unforeseen misfortune, the cost of which the employee is otherwise unable to meet;

and the granting of financial assistance to group organizations designed for the mutual improvement of employees along educational, recreational, musical, dramatic, and comparable lines. During the fiscal year ending June 30, 1940, there were 1,512,142 meals served in the cafeterias and lunchrooms. One hundred and eighty-four emergency loans, aggregating \$10,997.34, were made; and grants aggregating \$2,245.32 were made to various employee activities.

GROUP HEALTH ASSOCIATION

On June 30, 1940, 984 employees of the Department in Washington were members of Group Health Association. Group Health Association is a cooperative of Government employees in Washington who pay given amounts each month to the Association, in return for which they receive medical and hospital care as needed from a staff of physicians and nurses who devote their full time to the care of the members and their families.

GROUP HOSPITALIZATION

On June 30, 1940, there were approximately 4,500 employees of the Department in Washington who were subscribers to Group Hospitalization. In return for a fixed sum per month, subscribers and their dependents receive specified amounts of hospitalization as recommended by their physicians.

OTHER ACTIVITIES

The Philatelic Club prepared an exhibit of stamps having some relationship to agriculture, which was displayed on several occasions.

The Horseback Riding Club, composed of about 50 members, conducted 12 organized rides during the course of the year.

The Spelling Club, ever since 1934, with the exception of the summer months, has been convening regularly each Tuesday at 4:45 p. m. for a half-hour period. Not only do the participants become greatly improved spellers but they also familiarize themselves with the definition and the correct or the accepted pronunciation of the word they spell. They also learn new words and study homonyms and synonyms.

Many employees, together with their families, attended Hi-Catoctin Camp during the year. The camp is operated by the Federal Camp Council, an organization of Government employees. It provides Government employees and their families, at low cost, an opportunity to spend a vacation, either long or short, under attractive outdoor conditions. The camp is located in the Catoctin recreational demonstration area of the National Park Service, about 60 miles north of Washington in the State of Maryland. The camp includes a recreation lodge, a swimming pool, 10,000 acres of picturesque forest land, rustic cabins equipped with beds and screens, hot and cold showers, a cafeteria, and facilities and leadership for a great many camp activities, including hiking, nature lore, campfires, sports, softball, volleyball, archery, badminton, croquet, arts, and crafts, etc.

EMPLOYEE RELATIONS

Employee relations is one of the phases of personnel management that rises up importantly as a responsibility of supervisors and ad-

ministrators at every level. The program of the Office of Personnel emphasizes (1) the creation of sensitivity of all supervisors to problems of employee relations and (2) training supervisors in a philosophy of supervision which insures handling employees in an atmosphere of frankness.

Under Memorandum 753, recommended to the Secretary by the Director of Personnel after consultation, the responsibility of supervisors was spelled out specifically for the first time in the Department's history.

Very satisfactory relations have been maintained with employee unions. Those in Washington were asked by the Director of Personnel to organize an interunion council in order to provide a medium for prompt and frequent consultation. It represents an interesting development in governmental management of employee relations. This medium for obtaining employee opinion has been supplemented, in recognition of the fact that the great majority of employees are not members of unions or associations of employees, by (1) conferences with employees selected at random and (2) sampling of employee opinion through the use of modern techniques.

This is a field in which the Department hopes to make substantial progress. The Office is of the opinion that management in the public service has generally failed to rise to meet its full responsibility in regard to personnel problems. Management has too often neglected fundamental concerns of employees by remaining silent when reform or improvement was possible only as a result of legislative action. Management in the personnel-administration field has a responsibility of bringing these matters to the attention of the legislative branch promptly.

Experience under Memorandum 753 during the past 2 years brought to light certain needs for change in procedure in order to expedite the appeals of grievances which could not be informally adjusted through supervisory channels. After a series of conferences, which brought together the ideas and suggestions of bureau chiefs, business managers, personnel officers, national and local employee unions, and unaffiliated employees, the Memorandum was revised to include the following significant changes: (1) Time limits were imposed on all stages of the appeal procedure. (2) Provision was made that notices of appeal to and decisions by the chiefs of bureaus must be in writing and copies sent to the Director of Personnel. (3) The Director was given the option of deciding an appeal to him from the decision of the chief of bureau on the basis of evidence gathered in connection with the first appeal, or of organizing a board to make further investigation. (4) Announcement that the Department could not legally incur travel or other expenses for board members or witnesses who were not employed by the Department. (5) A separate procedure for appealing classification cases. (6) Exclusion of former employees from appeal rights. These changes were made effective by the Secretary in Memorandum No. 753, Revised, on April 4, 1940.

Twenty-five cases reached the appeal stage during the year. Twelve were in Washington and 13 in the field service. Eleven of the boards of appeal made recommendations sustaining the bureaus and 14 favored the employees. Of the 25 boards organized, 15 rendered unani-

mous recommendations, and 10 were divided 2 to 1. In only 3 cases did the chief of bureau fail to sustain the recommendations of the boards of appeal, 2 of which were appealed by the employee to the Director of Personnel. At the close of the year 14 appeal cases were pending in the different bureaus. Only 4 cases were appealed by employees to the Director of Personnel from the decisions of the chiefs of bureaus, 1 of which was decided in favor of the employee and 3 sustained the bureau.

RETIREMENT

Responsibility for all operations incident to the maintenance of individual employee retirement accounts was decentralized during the year in order to eliminate a central bottleneck in the flow of papers. The Office of Personnel now has a retirement officer who assists the bureaus and offices in improving procedures, handles complex retirement problems, and acts as general consultant and adviser. Periodic examinations will be made to insure adequate accounts and uniform procedures. The Office of Personnel is responsible for effecting uniform interpretation of all laws, regulations, orders, decisions, and opinions relating to retirement.

CENTRAL RECORDS

The maintenance of adequate personnel records in the central Office of Personnel is essential in connection with the Department's total personnel program. We have readily available descriptions of the duties on which employees have been engaged, a record of general effectiveness of performance, and complete information on the employees' educational and experience background. The employees' personal history has been brought up to date through the furnishing of personnel questionnaires containing information on additional qualifications secured and additional examinations passed. Facilities for furnishing up-to-date and accurate statistics have been improved. By the use of statistical information and tools now available in the central Office of Personnel, bureaus and offices are being relieved of tasks of compiling this information separately and manually.

INVESTIGATIONS

The Office of Personnel through its Division of Investigations conducted 82 personnel investigations, 40 investigations of Civilian Conservation Corps camps, and 212 special investigations. Thirty-one of the personnel investigations and 5 of the camp investigations required 71 separate disciplinary actions.

There were 688 cases referred to the Office of Personnel by the various bureaus for review. In 6 cases, no action was required. Seventy-four cases were pending as of June 30, 1940. The remaining 608 cases resulted in 784 separate actions.

The 70 cases pending a year ago, June 30, 1939, resulted in 91 separate actions. In addition 39 actions were taken during 1940 in connection with 18 cases investigated during the fiscal year 1939.

Personnel actions resulting from all cases investigated and reviewed were as follows:

Suspension without pay pending investigation.....	57
Preferment of formal charges.....	96
Removal as a result of formal charges.....	69
Reprimand by chief of bureau.....	148
Reprimand by Secretary.....	15
Reduction in grade and/or salary.....	1
Reduction in grade and/or salary and reprimand by Secretary.....	2
Reduction in grade and/or salary, reprimand by Secretary, and transfer....	2
Leave without pay for disciplinary reasons.....	7
Suspension without pay and reprimand by Secretary.....	105
Suspension without pay, reprimand by Secretary, and transfer.....	7
Suspension without pay, reprimand by Secretary, reduction in grade and/or salary, and transfer.....	2
Reprimand by Secretary and transfer.....	1
Restoration to duty.....	1
Appointment terminated (35 with prejudice and 20 without prejudice)....	55
Resignation accepted (76 with prejudice and 22 without prejudice).....	98
Actions taken for other than disciplinary reasons.....	319
Appointment terminated without prejudice.....	192
Resignation accepted without prejudice.....	95
Other.....	32
Total.....	985

During the year the Secretary delegated to the Office of Personnel responsibility for preferring charges and for taking appropriate action including disciplinary suspension. As a result it has been possible to eliminate long delays, so undesirable in disciplinary proceedings.

The Office of Personnel exercises particular care not to approve a recommendation for suspension without pay, pending investigation of charges, unless the salient facts in the case indicate that the action is justified. It nevertheless sometimes occurs that a person so suspended is subsequently proved innocent of the charges against him. In such cases under repeated rulings of the Comptroller General, the employee is not entitled to receive compensation for the period during which he was suspended. This procedure obviously works an injustice on civilian employees in all departments of the Government service whom it may affect. The Office of Personnel therefore regards it as essential that steps be taken to alter this situation and has drafted proposed legislation to this effect. This legislation will be brought to the attention of those who are in a position to further its passage.

ORGANIZATION ANALYSIS

The majority of the functions of the Office of Personnel heretofore discussed are concerned primarily with the employee as an individual—his qualifications, experience, and competence. The development of an employee's performance depends to a large extent also upon his ability to work effectively as a member of a group. Sound organizational structure is basic to good personal and working relationships. Duties and responsibilities must be well defined. Lines of authority must be clear-cut. Procedures must be drawn so as to facilitate smooth operation. There must be adequate means for coordination.

The increased demand and indication of need for more attention to organization and management work led to the establishment of the Division of Organization and Management in the Office of Personnel in October, 1939. This Division conducts basic organization and management studies for the purpose of determining proper allocation of functions and authorities, proper organizational structure, unit rela-

tionships, lines of supervision, flow of work, work-load distribution, and management efficiency. It assists and works with staff and operating officials in organization matters incident to the consummation of mergers, transfers, additions, discontinuance and revisions of functions; plans, develops and recommends standards for bureau personnel offices; studies, develops and initiates proposals for personnel legislation and regulations. It conducts administrative and special research studies, and is responsible for drafting and keeping current functional statements, organizational, functional, and relationship charts, and serves as adviser and aid on all matters pertaining to organization and management. Thirty-five organizational studies have been completed. In all cases they were initiated at the request of the bureau or office concerned. The studies dealt primarily with functional lines, interunit relationships, lines of authority, and flow of work. In addition 16 procedure surveys and 43 other personnel studies were undertaken. Resulting improvements varied from minor shift of personnel to major bureau reorganizations. The demand for this service has increased rapidly.

GENERAL CONSIDERATIONS

In line with the continuing Department policy, the Office of Personnel contemplates an intensified drive toward decentralization of personnel operations. A movement to decentralize the employment function wherever legally possible is under way. This continued devolution of formerly centralized functions will not lead to chaotic lack of standardization. In order that existing divergences in the keeping of personnel records may be rectified insofar as is administratively desirable, this Office is turning its attention to the development of a personnel audit form, designed to effect reasonable uniformity of practice among the diverse units of the Department. This standardized audit form can then be employed in taking a series of "spot" samplings of personnel activities in various areas, on the basis of which a truly comparative picture can be drawn of the relative degree of competence shown by each office unit sampled.

Secondly, there is an urgent need for new legislation permitting improvement of our personnel program. It is our intention to seek, through proper channels, the enactment of the necessary laws.

There is much to be gained, particularly in fields of research, from an exchange of personnel between the Department and colleges of recognized standing. A competent professor, permitted a year's recess from his teaching duties, and devoting full time to experimental study in departmental laboratories could bring new ideas for research to the Department, while the assignment for a year of a valuable Department employee to teaching duties in a university or college of recognized standing would provide a new channel for the dissemination of information about Department work and accomplishments to the public. In addition, the arrangement would provide a healthy change of scene for the employees concerned. At present no legal basis exists for such a program. The aim of this Office will be to seek legislation under which it will be possible to effectuate an exchange, with the understanding that for 1 year a Department employee will teach at a given university or college, and will continue to be paid

from Government funds, while a professor of comparable rank, ability, and professional experience will be assigned to the Department, but will continue to be paid his regular salary from school funds.

Existing legislation provides that, with certain stated exceptions, an employee terminated from the Department service shall be entitled to payment for the amount of his accumulated annual leave. One of these exceptions, however, provides that in the event of the death of such employee, payment to him or to his heirs shall cease immediately, and that no payment for any accumulated annual leave shall be made to his estate. The provisions seem manifestly unfair to the survivors, who, in most cases, are probably in need of financial aid, especially if any long or expensive illness has preceded the death. This Office will continue to press for legislation which will remedy the existing situation so as to permit payment to the estate of a deceased employee for any annual leave which that employee may rightfully have accumulated.

Another bit of legislation for which the Office of Personnel will work is that which will permit the purchase from outside sources of personnel character records of employees, prospective and actual, a practice which is not now legally permissible. Such records can be obtained from credit bureaus and similar establishments at a per record cost which is much below current estimated cost to the Department of compiling such a record with the use of Department facilities.

A third major aim of the Office will be the development of a more active program of employee counseling. Relatively little has been done as yet anywhere in the Government service to develop this phase of personnel activity, yet it is at once one of the most urgent and ticklish problems in the entire field of personnel administration. Troubled employees must be aided in a spirit of sympathetic understanding in resolving their difficulties, personal or professional, before they destroy the employee's morale and lead to serious conflicts resulting in open clashes of personalities which necessitate investigations and disciplinary actions. During the past year the Office of Personnel has begun basic studies of the subject with the idea of applying to our personnel program the best known elements of employee-counseling practice. At present plans are being laid in this Office for a comprehensive survey of the entire subject matter in this field.

Finally, we must devise immediately techniques and mechanisms which will mitigate the impact of national defense upon the Department program. A recent preliminary survey conducted by this Office indicates that, under the terms of the two acts conscripting National Guard, Reserve officers, and civilians in general into the defense forces for 1 year, and under the interpretations given those acts by the War Department, the Department faces possible loss of approximately 3,500 experienced employees, many of whom occupy important administrative positions below the so-called policy-determining level. In addition, there are the prospective loss of other employees to more lucrative positions in private industry which will open up under the stimulus of increasing defense orders, the possible curtailment of the general agricultural program resulting from di-

version of funds to national defense agencies, and the problems created by a rising cost of living in the face of Government salaries made relatively inflexible by law.

We are convinced that all authorized programs of the Department are "necessary to the maintenance of the national health, safety, or interest" and that their disruption through loss of experienced personnel may seriously impair national defense in its broadest sense. It is our task therefore to cooperate fully with the defense program by taking immediate steps to secure and train adequate substitutes for personnel on defense assignment.



